Files $9 Million Suit Alleging Mine Fraud

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Hughes Tool Co. has slapped a $9 million lawsuit against former Nevada aide John Meier and nine other persons and corporations, charging vast fraud in their purchases of mining claims for Hughes.

Meier was Hughes' "science adviser" in Las Vegas until Nov. 3, 1969, when he abruptly resigned and announced he would form an environmental research foundation.

Robert Maheu, then chief of Hughes' Nevada Operations, in a statement following the resignation, said Meier, "had made a significant contribution to the Nevada Division of Hughes Tool Co."

Maheu a year later was fired by the Tool Co.

Meier is now a candidate for the U.S. Senate in New Mexico. Last month he was called as a witness before a Federal Grand Jury in New York investigating the Clifford Irving autobiography hoax.

The suit, filed in U.S. District Court in Salt Lake City, alleged Meier and the other defendants cheated Hughes out of several million dollars through their purchases of Nevada mining properties for him.

Hughes reportedly paid $18 million for old mining claims and worked out silver mines after he moved here in 1966. They are probably worth less than $100,000 today, according to a Hughes spokesman.

Other defendants in the suit are John R. Suckling, Meier's Los Angeles-based attorney; Anthony Hatsis, a friend and confidant of Meier in Salt Lake City; Charles W. Adams, E. B. Walsum, Toledo Mining Co., Salt Lake City, of which Hatsis is president; Globe Inc., Malaga Investments Ltd., Inrespro Ltd. and Maatschappij [illegible] three firms are reportedly foreign-based.

Stating that more than $9 million was paid to the defendants, the complaint alleged they conspired to sell mining claims to Hughes at prices "far in excess of the value of the properties."

The suit also claimed Meier and the other defendants, "acting with corrupted agents of Hughes Tool Co., purported to locate mining claims on worthless federal lands and lands not open to mining location."

JOHN MEIER

The complaint asked the court for an accounting of all money received by Hughes Tool in the mining claims deals. It also asked for a judgment against the defendants for restitution of all profits and benefits realized by them.

The suit apparently did not involve all of the hundreds of mining claims acquired by Hughes in Nevada, but was understood to have labeled more than 40 in the alleged fraud and conspiracy.

Meier could not be reached for comment on the lawsuit. An aide in Albuquerque told newsmen Meier was in California raising funds for his political campaign.

When Meier was called before the federal grand jury probing the Irving autobiography of Hughes, government lawyers were said to have questioned him about dealings with Irving regarding biographical [illegible] Hughes.

Meier has refused comment on the Irving affair, other than to say he never met the author.

On New Year's Eve in 1969 in Las Vegas, Hatsis hosted a lavish party in a $500 a day penthouse suite at the International, now the Hilton Hotel. Meier was among the nearly 150 guests.

Hatsis is well known in Salt Lake City real estate and mining circles. He and a brother also operate a popular supper club there.

In August, 1971, Dean Elson, a former Hughes security advisor for Maheu, hinted that many of the mining claims bought by Hughes were overpriced.

Elson is a former special agent of the Federal Bureau of Investigation in charge of the Las Vegas office. He resigned from the FBI to work for Maheu, himself a former FBI agent.

Maheu is now suing Hughes for $50 million, claiming breach of contract in his Decem[illegible] dismissal by Hughes Tool Co.